

App. F. IX-4

8 ✓
(1939.40)
CS

File No. 19.39
Serial Nos. 3, 5, 6, 10
14.1) 20.21, 3)

Previous References

CS, 11.26.40 92.164tc
- 61.28.41 1.15.16 + 21

P-67
E

Later References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 9

Part B for March 41

SUBJECT.

Modification of the Rules re the constitution
of the Mys. Prov. Co-op. Apex Bank Ltd.

37

To the Comptroller Mys
6503 27-12/3

WD 0578-GPB-22,500-12-9-89

Notified by _____

1075

GENERAL AND REVENUE SECRETARIAT.

(*bs*)

NOTES.

File No. 19-39

FILE HEADING

Modification of the Rules relating to the Constitution of the Mysore Provincial Cooperative Apex Bank Ltd

FROM

The Registrar of Cooperative Societies in Mysore

No. 3974

Dated

2-10-39

Received 3-10-39

Diary No. 1412

Enclos. Two Spare copies

Serial No. 3

BRIEF ABSTRACT OF LETTER

Forwarded Copies of Correspondence relating to the proposition of amendment of the Apex Bank to be effected by rotation and request interpretation of the Subrule 5(1) of the Rule 32 re the Constitution of the Bank.

NOTES AND ORDERS.

bs 11-36
11-30-39

Page J

The file re the Constitution of the Board of management of the Apex Bank is placed below for perusal. ~~From these notes~~ These notes and the Correspondence in the file do not indicate any interpretation re the retirement of only five members and their replacement by other five representatives. But there is sufficient evidence in the draft rule first proposed by the Registrar that all the members to be elected.

Amendment of rule relating to the Committee
of the Alex Bank

1412

69 File No.

19 2483/P939
of 1939.

General and Revenue
Secretariat

Should be elected annually at the meeting
by the seven interests concerned. Sub Rule 7
merely fixes the proportion of persons to be elected and
be ineligible to be re-elected, and does not ^{perhaps} mean
that the remaining members ~~will~~ be continue on
the Board. The elections were intended to be
annual. The Director requests ~~the~~ ^{an} ~~opinion~~
instruction after consulting the Govt Advocate.

Committee proposes

to ~~the~~ ^{the} Law Secy: may be con-
-sulted
Govt Secy
7.10.39

GENERAL SECRETARY
7 OCT. 1939
257

3) According to clause 5 of
Rule 32, all the representatives of small
& urban affiliated cooperative societies
have to be elected annually. What
is probably intended by ~~the~~ clause 7
of the rule is that except the five
who retire by rotation, the other
members may stand for re-election.
To hold that these members could
continue without election will not
be in conformity with the mandatory
provision of clause 5.

For forwarding remarks.
Law Secy
(with compls.)
9/10

69
Law
ROY. LAW DEPT
10 OCT. 1939
GOVT OF MYSORE

9/10
9/10/39

3
11/10/39

3

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~~For~~ Rule 31 sub-rule 2 A is to the effect that as a Rule all the members of the Committee of Management shall be deemed to have vacated their seats at the time of the annual general meeting.

3) Rule 32 is a Rule made in the matter of the Constitution of the Mysore Provincial Co. Oper Bank of Bangalore.

6) Rule 32 (7) is to the effect that of the 12 members of the Board elected in accordance with clause 5, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural & urban affiliated Co. Societies & one from out of the representatives of preference share holders & they shall not be eligible for re-election till the next following Annual General Meeting of the Bank.

7) Sub-Rule (3) of R. 32 says that 2 directors shall be nominated by Govt. & they shall hold office till their successors are appointed. Sub-rule 4 says that 5 directors will be representatives of affiliated rural Co. Societies, 5 of urban Co. Societies, & 2 of preference share-holders. Sub-rule 5 says that the representatives of rural & ~~rural~~ urban Co. Societies & preference share holders shall be elected at an annual general meeting of the Bank of their respective groups of electors.

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The Question is does Sub-rule 5 in any way conflict with Sub-rule 7 & Rule 32? For it means, that under Sub-rule 7, only 5 seats of persons retiring & rotation, are thrown open for election at each annual general election? & Sub-rule 7 is interpreted in that manner then it does conflict with Sub-rule 5. To me it seems that what Sub-rule 7 lays down is that out of 12 members elected annually under Sub-rule 5, 5 shall retire & rotation & those members shall not be eligible for re-election; but this does not mean that only 5 seats will be open for election, & the other 7 seats at an annual general meeting. According to Sub-rule 7, the 5 members who retire & rotation, cannot stand for re-election that year, but other members of the rural & urban co-societies & of persons whose names can stand for election for that year. According to ~~Sub-rule~~ Sub-rule 7 all the 12 Directors cannot stand for ~~re-election~~ re-election - 5 Directors shall stand at the re-election for that year - thus giving room for new entries in the Board.

Rule 32 is framed accordingly

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Sec 44 of L.C. Act, 1 rule under Section 44 are framed "to carry out the purposes of L.C. Societies Act" as such Rule 32 cannot contravene any provisions of the said Act. Further sub-rule 5 of R. 32 is to the effect that representatives of rural & urban C. Societies & of preference those below 2000 be elected at the Annual Meetings. It is therefore a mandatory provision. So if any 5 seats are open for election, then the other 7, will be on the Board without election for that year, & as such sub-rule 5 could be violated, & also rule 31.24 could also be violated. The safeguard provided by sub-rule 7 is that there may also be a chance for all the 12 Directors to be on the Board of Directors for more than a year - at least 5 out of 12 Directors should be new Directors each year. This is the correct interpretation of sub-rule 7. Hence I am of opinion that all the 12 seats should be open for election every year.

Law Secretary)

3.

29/11/39

11) Put up with the R. 32
4/12/39

Copy of the Rules is put up.

Law Secretary)

3.

30/11



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No.

12) I think Rule 32(5) means that
such of the representatives as have to be
elected will be elected at the annual
general meeting. Rule 17 is clear
that 5 shall retire annually to be
determined by lot. This means the
others will continue. This is the
usual procedure in the case of
companies, banks etc

~~These rules are~~

13) These rules in regard to the Apex
Bank were framed on the recommendations
of the Committee on Cooperation.
They recommended that 5 of the
Directors should retire in rotation
every year. This means that the
others would continue. It will be seen
from the file below in which these
rules were framed, that the matter
proceeded on this basis till the draft
rules were published. Draft rule 5
was "shall be elected at a meeting
of the general body". This draft has
been approved by the ~~1st~~ 1st Member
also. There is no idea in it that the
election of all the members should be
held annually. But somehow when

Amendment of Rules relating to the Constitution of the Apex Body

General and Revenue
Secretariat.

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of 19

[App. F. III-2]

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15) The Registrar wrote to Govt on 14.5.38
In revising the Rules finally, he sent a
draft of rules in which the words
"shall be elected at the Annual General
Meeting of the Bank" got inserted in Rule 5
This happened to be revised as finally.

16) The general rule of interpretation
is that the construction should be such if
possible that no inconsistency is raised.
Rule 7 clearly states 5 shall ^{annual} be elected
at each general meeting. This means
the ~~others~~ will continue. Then Rule 5 will
mean merely that those who have got to be
elected will be elected at the Annual
General meeting. There is nothing in
Rule 5 which requires that all representatives
should be elected annually. It only states
~~that~~ how the representatives have to be selected.
It is stated to be by election at the Annual
General Meeting and not at any
special meeting. This would be the
interpretation as the rules stand & this
seems to be the intention also as appears
from the file below. But if the idea is
that all ~~representatives~~ should be elected every year,
the rule has to be ^{amended} suitably.

2nd Member)

17) Page 104 by the
as the 6 discuss

with the 10/11/39
57-1

4754

5-12-39

NOTE—Contn. Sheet

(Read back from the Law
Secy. on 4/12/39)
10/11/39

4754

6

57/12

10/11/39

6/12/39

10/11/39

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10/11/39

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AT=

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of 1935

General and Revenue
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(14)
Draft reply ltr for cable. The file may be sent to the Secretary for personnel before issue

8/12
7/12/39

(1) For perusal before issue

Carl Seely

9/12

9/12
Issue

RF 2760 dt 12-12-39 To the Registrar. &
Requests him to discuss the question with the II Member.

It is submitted that this question was discussed by the Registrar & the President of the Board with the second member of Council on 6/1/40. It is for orders whether any further action further Registrar on the result of discussion has to be awaited. LWS

11/1/40

Carl Seely

11/1/40

The second Member was pleased to observe that all the members, except those who retire by rotation, should be elected as this is not only desirable but also in keeping with the democratic principle underlying the Cooperative movement. This will be communicated to the Registrar & he will be asked

9 DEC. 1939
3726

9 DEC. 1939

18/1/4

19 DEC. 1939

GENERAL SECRETARY

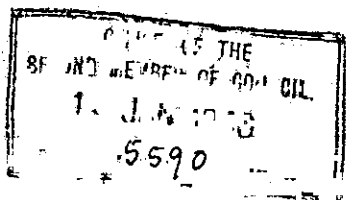
13 JAN. 1940
4620

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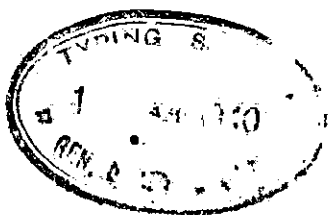
to suggest a suitable modification of
the rules, so as to make the intention
clear & beyond all doubt.

2 member)



13/1/40
16/1/40

GENERAL SECRETARY
18 JAN. 1940
6555



Draft rules for above

17/1/40

For approval
Genl. Secy 18/1

Issue
18/1

6 Letter No AF3699 dated 23-1-40 to the
Director Co. explaining the intention of the
Rule 32 and calling for a draft amendment

1/1/40

10 Letter No 8330 dated 29-1-40 from the
Director Co. proposing amendment to
sub Rules 5 & 7 of Rule 32 & the election
to the Board of Management of the Muz. Board
The draft rules require minor
publication. The draft rule proposed by the



10

1612/3034

5147/235

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General and Revenue Secretariat.

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Decisions be may be ~~amended~~ sentinized in the Law Section to avoid any inconsistency and to see that the intentions of Govt are properly incorporated. Hrs. for order

Asst. Secy. Law
(note)

3/2/40

3/2/40

Law-132839
Dated 5th Feb 1940.

(Signed)

24) Rule 32 (5) may be worded as follows:-
"All the representatives of rural & urban affiliated Co. Societies & of the province share holders shall be elected annually by their own respective groups & electors, at the Annual General meeting of the Bank."

35) I think Rule 32 (7) may remain as it is, because it only shows that at least 12 Directors elected, 5 of them shall retire & may not be eligible for election for next year.

Law Secretary

3/10/2/40

5091/10/2

7) The Law Secretary suggests that Rule 32 (7) may be amended to bring out clearly the idea that the term of all Directors terminates at the end of each year, & that only 5 out of 12 Directors may be eligible for election each year. The rule as it stands, shows

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throws a doubt in the mind of members that the term of office
shall 5 be elected out of the each annual general election
and 9 others. Rule 32 (7) is worded as follows:—

" The term of office of all the 12 Directors
elected in accordance with clause 5 above, shall
terminate on the day of the ^{following their election,} 5 out
of these 12 Directors shall ^{be eligible for} re-election till the next following annual general
election following each general election at which they retire.
~~making of the Bank their eligibility for re-election~~
The names of the five retiring directors who are to be declared ineligible
shall be ^{being determined by lot at a meeting of the Board}
prior to such annual general meeting, their names
shall be ^{being mentioned in the annual Report.}

Gen. Secretary

3/11/40

3/11/40

23) Rules 32 (5) & (7) are worded as above.

General Secretary

3/13/40

34)

For notification publishing the draft
amendments as proposed by the Law Department
and calling for objections is held for orders

For approval

Genl. Secy

15/12

35) Please see position
marked A on page 2 of the Registrar's
letter dated 27th January 1940.
Why is this omitted in the draft
proposed by the Law Section -
If the number pertaining to each

12

30-1

5147

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interest is not restricted, it may so happen that ^{the} members belonging to any ^{one} particular interest may be objected to retire and stand for election - Please consult the Law Secy again -

Asst. Secy. Law
w/ly

1572
1572

37) The discussion marked 'A' referred to above is by way of sight - it is ~~to be~~ filled up ^{8. Rule 32(1)} by wording the last sentence as follows -

"The five directors who are to be declared ineligible shall be, two each from out of ten representatives of the rural & urban affiliated Co. Societies & one from out of the representatives of preference share holders, & their names shall be determined by lot at a meeting of the Board prior to such annual general meeting & ~~the same~~ shall be mentioned in the annual report."

Law Secretary

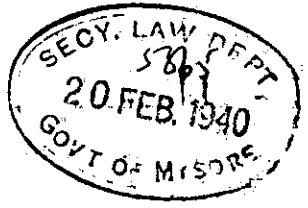
3
19/4/40
Hm
2
20/7/40

General Secretary

3
20/4/40

39) Please revise the draft amendment. I am sorry to note that the sentry in the administrative branch is very perfunctory.

21/2



GENE

21 FEB. 1940

522

21/2/40

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4) The draft rules as now received are enclosed to the draft notification. It is submitted that there is another aspect of the draft but rule 7 yet to be considered and made ^{clear} and this is in respect of drawing lots. Under the proposed rule two have to retire from each of the rural and urban constituencies which have five seats each. In drawing lots for eliminating those to retire it is not improbable that those who were elected the previous year and those who have served for the shortest period might happen to be ineligible. and even among ^{the} (with those left) preference households constituency it is possible that the person who was elected first the previous year may happen to become ineligible. To avoid this it is for consideration whether it would not be desirable to draw the lots from among the older members in the constituency. If this view is accepted the draft rule will have to be amended further. Submitted for orders

~~to H.H.~~
22/2/40 4) The Registrar may be consulted. Re A. This aspect deserves consideration ~~to~~ n/r

Encl: Secy

5) The main idea is to get some fresh blood every year & this will be secured. It does not matter, if ~~as~~ as a result of lot, older members continue

GENERAL SECRETARY
23 FEB. 1940
5-264

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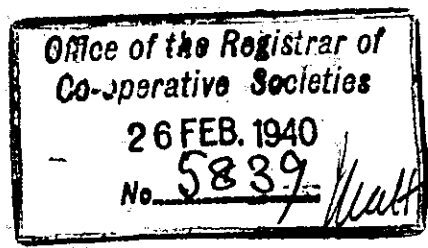
This will be in the interests of the
institution. But the contingency, as
pointed out in the notes, may or may not
happen. Even under the existing rules, it
is not specified that any two or one of
the elected members of the respective interests
should retire by lot. However, the Registrar
may be committed the file being sent
to him unopposed

[Signature]
23/2

[Signature] Memo No 205 of 1939 (200) 24/2-1940

(12) Forwarded with compliments
unofficially to the Registrar of Cooperative
Societies in Mysore for remarks

With
CS 11-36 (40-22
12)



By order
H. Manojan Raju
For General Secretary to Govt
26/2/40

9888CS
28.2.40

Retransmitted with compliments.

(11) I think it is enough if it is provided that
5 Directors (2 from out of the representatives of
urban affiliated societies, 2 from out of the representatives
of rural affiliated societies, and one from out of the
representatives of preference-share-holders, elected
at the previous Annual General Meeting of the Apex
Bank, are declared to be ineligible to stand for

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for re-election till the next annual election. The Directors ineligible to stand for re-election need not necessarily be those who have been on the Board for the longest periods continuously. Drawing of lots is - enough. No further restrictions are necessary.

45) In the proposed final draft of Rule 32(7), the words "Annual General Meeting" occur for the first time in the last line and so the placing of "such" before the said words may not be quite appropriate. I would therefore suggest that the words "such Annual General Meeting" may be changed to "such Annual General Election".

M. S. Subbubala

Registrar.

L.S. 27/2.

46) The word "election" is substituted for "meeting" in the last line of the draft rule 32(7). The Registrar also considers it sufficient if the lots are drawn for determining the ineligibility of candidates. The draft notification is returned for orders.

47) For approval.
G. S. Seng

48) For approval before time

2 members)

49) *[Signature]*

50) *[Signature]*
4/3

51) *[Signature]*

52) *[Signature]*

53) *[Signature]*

54) *[Signature]*

GENERAL SECRETARY.
2 FEB. 1940



GENERAL SECRETARY.
4 MAR. 1940

5461

NOTE-Contn. Sheet



3034 ✓ 3866

68 File No. 16

19

of 1939

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14

Notification No AF 4855 dated 17-3-40
publishing the draft amendment to Rule No 32
re the election of directors to the Apex Bank and
calling for objections

Memo No AF 4856 dated 9-3-40 to the
Secy to Govt. forwarding copy of the notice for information
Letter No 10924 dated 26/3/40 from the Secy
Apex Bank suggesting certain amendments to
the proposed rule

A

51) The notification was published in the
Gazette of the 16th March 40. The suggestion of
the Apex Bank is for perusal. The consideration
of the suggestion will be taken up after the 16th
instance when the period calling for objections
expires. Subd

to Hbb
3/4/40 52) Genl. Secy

Hbb
3/4Hbb
3/4

Letter dated 11-4-40 from Mr. U. Venkatarangiah
Representing R. S. F. representing that the
discrimination by Govt is unfair and suggesting
the removal of those who have served
longer

53) The verbal amendment suggested by
the Apex Bank may be accepted. The
direction of Mr. Venkatarangiah to the
ineligibility of women being determined by Govt

GENERAL SECRETARY
2 APR. 1940
6144

Sub B File 1574/40
to Hbb
4/4/40

B

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is/m order. Ltrd

15/4/40

Letter No 2191 dated 13-4-40 from
the Secretary Bangalore city Coop Societies
promising their objections to the proposed
Amendment.

24) The Society suggests that word "like their
members are validly elected". This has also
been suggested by the Open Bank. The Society
is also opposed to the system of drawing
lots to replace the members. Submitted

for order

18/4/40

25) The due date for objections
has expired. Suggestions from three
institutions named A.B.C have been received.
The Soc Secy may be consulted.

Secretary)

27-4-40

26)

27/4

27/4

Sd/- Secty.

Rule 32 (7) :-

(1) The suggestion of the Open Bank
to substitute 'Empire' for 'Democratic' may
be accepted, but I am of opinion that the
word 'Democratic' is a better word than "Empire"

(2) There is some force in the
suggestion offered by the Open Bank, 1st Bangalore

GENERAL SECRETARY.
29 APR. 1940
6720

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City Co. Bank to the effect that it would be desirable to make it clear that the old members continue to function till their successors are validly elected, otherwise there will be a dead lock.

8) The suggestion of Apur. Bank is add the word "or till their successors are elected" after the word "election" in line 4 of Rule 32(7), does not seem to make the matter clear.

8) The explanatory clause to Rule 32(7) as worded below will make the position quite clear.

Explanation:- "If the annual general election is held to be invalid, then all the 12 directors shall continue in office till their successors are ^{duely} elected."

or else the above alteration will be as worded below:-

After election in line 4 of line 8 Rule 32(7) the following clause be inserted (viz) "provided the annual general election is not held to be invalid, otherwise all the 12 directors shall continue in office till their successors are duly elected"

(2) Objection is taken for determining the invalidity of 5 members out of 12, by the Co. No doubt, the

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argument advanced on this point - seems quite reasonable, & I would suggest that instead of the word "lot" in the 11th line of Rule 32 (7) the word "ballot" may be inserted, & if doing so, the desired effect will be carried out.

b) If any suggestion is carried out, then Rule 32 (7) will read as follows:

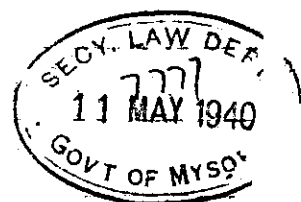
"The term of office of the 12 directors elected in accordance with clause 5 above shall terminate on the day of the annual general election following their election, (provided the annual general election is not held to be invalid, otherwise all the 12 directors shall continue in office till their successors are duly elected) & five out of those 12 directors shall be ineligible for re-election till the next annual general election following such general election at which they retire. The five directors who are declared ineligible shall be two each from amongst the representatives of the rural & urban affiliated Co-operative Societies & one from amongst the representatives of preference share holders, & their names shall be determined by ballot at a meeting of the Board prior to such annual general election & shall be mentioned in the annual report."

If the point in brackets above does not suit, then the word "will" be changed to "shall" & the word "section" as a way of explanation is follows:

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Explanation:- "If the annual general election is held to be invalid, then all the 12 directors shall continue in office till their successors are duly elected."

Law Secretary)

3
11/5/40

61)

The only suggestion which requires consideration is that the directors should continue in office till ~~xxxx~~ their successors are elected and should not vacate on the day of the annual general election in cases where the election proves infructuous.

62) If once election takes place, the new directors will hold office. If such an election be set aside, fresh election will have to take place. During that interim period, the directors who had come in under the invalid election will be the directors and not those whose term terminated at the annual general election. But if for some reason or other, the election itself does not take place, the old directors will continue as the annual general election itself has not been held at all.

63) Hence the rule as drafted does not require any modification.

64)

General Secretary)

Hm.
21/8/403
21/8/40GENERAL SECRETARY.
22 AUG. 1940
1209AVR 65
21/8/40
[Signature]

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66)

The rules as drafted and notified for calling
the Bangalore City Corp. Socy, Mr. K. Venkataraniiah and
others as suggested by the Mys Bank
are submitted with the opinion of the Law
Secretary, in the form of a statement for
orders. If approved, the Ltt will be got typed.

29/8/39

67) Typing - long
20/8.

68)

Typing section for kindly putting up a copy
immediately.

29/8/39

69) A typed statement is later on directed.

It is submitted that in Para 62 above the
Law Secretary has opined that during the
interim period (after an election takes place and
before it is finally decided as valid) the directors
who had come in under the invalid election
will be the directors and not those whose term
terminates at the annual general election. This
opinion now expressed does not seem to be in
agreement with a previous opinion expressed by the
Law Secretary, ^{and} ~~in~~ the last ~~meeting~~ ⁱⁿ connection with the election to the Board of
Management of the Bangalore Municipal Corp. Bank
wherein the Law Secretary, and the Govt
Advocate ^(Para 4) ~~both~~ ^{expressed} ~~the~~ ^{an} opinion that the
old Board ~~will~~ ^{shall} function in the interim period.
Rule 31 (2a) Relating to the election to the
Board of Management, is also applicable to the
Mys Bank and any unframed cannot ~~be~~ ^{be}
be at variance with the above rule. It is



Read previous para
and see the last
para of the order
of 31/8/39

61-38
1.15.36, 21
reg T.V.

4158 ✓

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definite to consider this aspect of the question
also before final consideration of the amendments

Subd for overs

to 4/1/39 2/9

70) A statement embodying
the suggestions received on the Draft
Rules and the remarks of the Law Secretary
is put up for perusal and orders.

Her 2

71) Incidentally, the Bangalore Cif. Co.,
has suggested that the members of the old
Committee should continue to function till
their successors are validly elected. On
this the Law Secretary has opined that
till the Annual General Meeting takes place
the new Directors will hold office and the election
is invalid. The same new Directors will
continue till next general election. This
point came up in the beginning of 1939
in connection with the irregularities in the
elections to the Board of Management of the
Bangalore Central Coop Bank. The Govt Advocate
opined that till there should be a validly
constituted new Board competent to take
charge from the old Board and a matter
of fact have taken charge from the said
outgoing Board has the right to function in
order to avoid interruption. This view of
the matter was communicated to Mr. Ray
and his information as he had requested
was furnished with legal opinion.

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1) The present view of the Law Secretary appears to be not in conformity with the above opinion. This is proper.

*Quesey)**3/9/40*

2) For further remarks, if any, in the light of the opinions expressed on a previous occasion - vide Flap J & V.

*Law Dept
not compls)**6/9*

3) On further consideration of my view in para 63 of Rule 32 supra, I think ~~the portion of Rule 32~~ Clause (7) may be amended on the lines suggested by the Appex Bank in the following manner:-

"The term of office of all the twelve directors elected in accordance with clause 5 above shall expire on the day of the annual general election following their election or till their successors are elected and five out of these twelve directors shall be ineligible for re-election till the next annual general election following that general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report."

This is my view as can be seen from para 61.

4) It is true that the view given by the Government Advocate in connection with the elections to the Board of Management of the Bangalore Central Co-operative Bank, differs from the view that I have expressed in para 62 on the question of the old committee being called back and asked to assume the duties if the election should be set aside. It has to be noticed that as soon as an election takes place, the old committee ceases and its place is taken by the new committee. validity of the If a petition is filed to contest the election, a stay

GENERAL SECRETARY.

6 SEP. 1940

15-26

Serial
No.

order may be obtained preventing the new committee to function till a final order is passed. If such a stay order be granted, then the new committee cannot be said to take charge of the affairs of the society and the old committee will continue to function and their term of office will continue till the election petition is disposed of and ~~and~~ in case the election is set aside, till a fresh election takes place. If on the other hand the election is held to be valid, the old committee will automatically cease to exist. But the trouble comes in when no stay order is asked for, or is not granted by the Election Court. If the view of the Government Advocate should be accepted, there would be some practical difficulties. For instance, it may take some months before an election petition is disposed of. Meanwhile the new directors would be managing the affairs of the society and if they are asked to go out on an election being held invalid, many of the old directors who had severed their connection months before, may not be willing to come back and accept the office. Many of them might have become directors of other societies and may have acquired interest elsewhere so as to disable them to continue as directors of the society in question. Moreover, reinstating the old Board for a temporary period of a month or two may lead to many other complications. The old directorate may not have enthusiasm for work when it is a stop-gap arrangement. This difficulty was noticed by the then Law Secretary (Mr. C. Subrahmanya Aiyar) ⁱⁿ and his note dated 23-3-1939 he has opined as follows:-

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"It is necessary to frame a rule vesting the management of a society automatically in the Registrar if an interregnum or hiatus arises for whatever reason."

That seems to be a more suitable course to meet the situation contemplated above, than bringing back the old committee into office.

74) Rule 2(a) of rule 31 made by the Government on 21-11-1938 runs as follows:-

"As a rule all the members of the Committee of Management shall be deemed to have vacated their seats at the time of the annual general meeting but shall continue in office till relieved by their successors."

The Government Advocate would consider this rule as meaning that even if the old directors were relieved by their successors and the latter assumed office and worked for some time and if the election is to be set aside, the old committee would come back to office. But I think the rule makes the position clear that the moment the old directors were relieved by their successors they ceased to function irrespective of the fact that the election of the new committee is held to be valid or invalid by the election court. Otherwise, during the period between the date of the new committee assuming charge and the date on which their election was set aside, both the old and the new committee will have to be deemed to be existing and that would be an anomalous position. So the natural interpretation of the above rule should be that unless a stay order is passed by the election court preventing the new committee from assuming office, the old committee cannot be said to continue in office. In order to avoid all this confusion, it would be better that stay orders are issued in the election courts preventing the new directors from taking office. Otherwise a rule may be framed authorising the Registrar

57 4156
CS.

4156

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to appoint a sole director or an officer to take charge of the affairs of the society during the interim period between the date of setting aside the election and holding of the fresh election, as suggested by Mr. C. Subrahmanya Aiyar.

Gen Secy)
M.C.)

Hm
2
12/12/40

GENERAL SECRETARY
12 DEC. 1940
CS.
H/R

77) The further remarks of the Law Secretary are for consideration and orders. Lb

14/12/40

If recourse is had to

78) The proposed remedy of issuing of stay orders everytime the elections are contested by the dis-appointed or aggrieved person it may lead to much inconvenience and annoyance besides dislocation of work of the Board. This may become a weapon of mischief in the hands of unscrupulous persons. The disposal of such petitions may take more than a year at times and elections for the ensuing year may be hindered and cause complications. Further it is doubtful how far a stay order which is an executive order will have the force of law. Hence to the provision to overcome the confusion as suggested above, the issue of stay order does not appear to be a helpful remedy.

As regards the suggestion to

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[App. F. III-2]

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No.

to authorise the Repz of C. to appoint a
Sole Director or an officer to take charge of
the affairs of the society during the interim
period. It is perhaps in cases of this kind
administration or unavoidable interference for
the benefit of the society is called for that
such a course could be adopted. The suggestion
may not be palatable besides being opposed
to the democratic principles upon which these
institutions are run, and ^{may be} deemed as
aggressive and uncompromising. Hence as
suggested by the Sub Advocate the outgoing
Board will have to continue to function till
the new board is validly constituted. The
wards & till their successors are elected will
have to mean ~~the~~ also that the elections
are approved."

79) If approved the arrangements
obtaining in Bombay & Madras Presidencies
during such contingencies may be ascertained by
the Repz.

freesup)

R,
19/12

80) May be sent to the Repz for
for forwarding remarks & to
indicate the procedure
prescribed for dealing with such
contingencies in Bombay & Madras

R,
19/12 19/12

GENERAL SECRETARY
5 DEC. 1940
3760

29

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of 193

General and Revenue
Secretariat

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Serial
No.

no 156 of 1940 41 20-12-1940

81) Forwarded with compliments of the
the Register of Cooperative Societies in
Mysore to favour of remarks and to
indicate the procedure prescribed for
dealing with such contingencies in Bombay
and Madras.

Wm
C. 1136
(407)
61-38(1K
17

Office of the Registrar of
Co-operative Societies

23 DEC. 1940

19-12-1940

Received
For General Secy

Returned with compliments.

81238
29.1.41

82) Rule 32 prescribes the constitution of the Board of Management of the Apex Bank in the same manner as Rule 6-B. prescribes the constitution of the Committees of Management of the District Head Quarters Societies, while Rule 31 governs the procedure relating to elections, whether of the Apex Bank or of any other Co-operative Institutions as also the filing of election disputes (Rule 31(18)). I am therefore of opinion that while considering the amendment of Rule 32 (which pertains to constitution only) the point raised re: the Board to hold office in case of an election dispute need not be taken up for consideration.

83) The Rules as published in the draft Notification may be passed with the modification that the word "expire" may be substituted for "terminate" in Rule 32(7).

With

30

General and Revenue
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2.

84) With regard to the practice obtaining in Madras and Bombay, I understand that no special provisions have been made either in the Madras Co-operative Societies Act or Rules for regulating the elections to the Committees of Management of societies. Even the Vijayaraghavachariar Committee on Co-operation in Madras (1939-40) have not recommended the enactment of any provisions in the Act or the framing of any Rules under the Act. They have recommended, on the other hand, that the Registrar may frame a set of Rules to regulate elections for the guidance of Banks and Societies. The byelaws of the Madras Provincial Co-operative Bank, Ltd., do not contain any special provisions regulating elections. The byelaw No. 18 of the said Bank prescribing the constitution of the Board is enclosed.

not J

87) In Bombay also no provisions to regulate elections have been made either in the Bombay Co-operative Societies Act or the Rules thereunder, leaving it to each institution to frame byelaws or subsidiary rules for its guidance. The strength of the Board of Directors of the Bombay Provincial Co-operative Bank, Ltd., should not be less than five nor more than 15 of whom 8 should be representatives of member-societies and seven of individual members according to byelaw No. 70. The Rules relating to the election of Directors as they exist in the Bombay Provincial Co-operative Bank are extracted and enclosed.

not J

86) The question of ^{amending} ~~amending~~ Rule 31 suitably may be taken

81

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of 193 .

General and Revenue
Secretariat

3.

Serial
No.

taken up when a necessity arises therefor, with a view to clear up the other points raised in the Notes.

M. S. Subbubala

L.S.28/1.

Registrar.

GEN. & REV. SECY.
29 JAN. 1941

87) The Registrar suggests that Rule 32(7) as published with the substitution of the words "expire" for "terminate" may be adopted and ^{that} the question of amending Rule 31 may be taken up later, when a necessity arises therefor. Submitted for orders whether the opinion of the Registrar may be accepted for the present.

6/11/41
88) As opined by the Registrar, the question of amending Rule 31 so as to provide for the contingency when the Election of the Directors is contested and held to be invalid, or when a stay order is issued against the newly elected Directors from continuing in office, may be taken up for consideration separately, if necessary.

89) We are at present concerned with the amendment of only Rule 32(5) & (7). We say that the rules as published

GEN. & REV. SECY.
30 JAN. 1941
AGRI. & FOREST BRANCH

428/260

4156
17 FEB. 1941
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may be passed with the substitution
of the word "Expire" for the word
"determine" in the ^{draft} rule as published.
The ^{Secretary} Apex Bank ~~secretary~~ also suggest
this modification

90) With this change, the Rules
as published may be passed.

Genl Secy)

10.2.41

91) 2 members
(through Law Secy)

10/2/41

10/2/41

17/2/41

7/2/41

92)

The Saffron hat & Register may
be approved.

La Secretary)

18/2/41

93) 19/2/41

Genl Secy)

20/2/41

94) 2 members)

21-2
22/2

GENERAL SECRETARY
10 FEB. 1941
980

5522
-11/2

Law 104 of 40
17th February 1941

5742
1/11

SECOND L.
26 FEB. 1941
No. 2171

33

4156/39

File No.

19

of 1939

General and Revenue
Secretariat

Serial
No.

Draft notification Rules for appeal
Hb
25/2/41 26/2

may be issued

27.2.41

Not issued as
Hb

Revised draft notification is held as instructions
Hb
4/3/41

may done

5/3/41

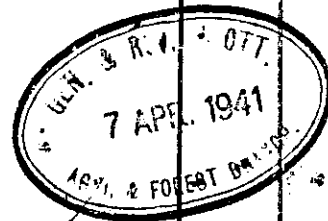


Of 6503 of 12.3.41

To the Compiler, P.C.

37

Notifies the Rules in amendment of the existing Rules
in the matter of constitution of the Board of Management of
the Mysore Provincial Co-operative Apex Bank Ltd
76504 Copy to the Rep. of C.S. & information



Rep. J.A.C.
Hb

1. SECTT.

B
Hb
7/4/41

CS 19-39-3.

No. 3974 C S. *Eu 2*

GOVERNMENT OF MYSORE

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Telegraphic Address
"CO-OPERT"
Bangalore.

2nd Oct
Dated Bangalore, ~~September~~ 2nd October 1939

FROM

M. ABDUL HUKH, Esq., B.A.,

Registrar of Co-operative Societies in Mysore,

BANGALORE.



To

J. Appaji Gowda, Esq., B.A., (Hons),
Secretary to the Government of Mysore,
General Department, Bangalore.

GENERAL SECRETARY
2 OCT. 1939
Sir,

Re:- constitution of the Mysore Provincial Co-operative
Apex Bank, Ltd.

I have the honour to invite your kind reference to Rule 32 of the Mysore Co-operative Societies Rules on the above subject and to state as follows:-

Sub-Rule (5) of the said Rule 32 lays down that the representatives of rural and urban affiliated co-operative societies and of the preference share-holders shall be elected at the Annual General Meeting of the Bank by their own respective groups of electors. - According to this sub-rule, the election in respect of these twelve seats has to be conducted annually. But Sub-rule (7) lays down that of the twelve members elected in accordance with sub-rule (5), five shall retire by rotation at each annual general election and they shall not be eligible for re-election till the next following annual general meeting. This has been interpreted by the authorities of the Bank to mean that out of the twelve seats on the Board to be filled up by election as per sub-rule (5), only five seats will be thrown open for election at each annual general election and notices have been issued accordingly. I intimated to the Secretary of the Bank informally that this is not the correct interpretation of the Rule as the co-operative principle is one of annual election and that the sub-rules (5) and (7) should be read together and not -- separately, but the authorities of the Bank are of opinion that the action taken by them is correct. A copy of the opinion furnished to

P.T.O.

to the Bank by Mr.M.A.Gopalaswamy Iyengar,M.A.,B.L., Advocate and concurred in by Mr.M.P.Somasekhara Rao,B.A.,LL.B., Advocate, received from the Secretary of the Bank together with a copy of the letter of Mr.M.A.Srinivasa Iyengar,B.A., on which this question cropped up; is enclosed for the information of Government.

In view of the implications involved by the interpretation of the Rule as accepted by the Bank, I request that Government may be pleased to have the matter examined by the Government Advocate and give necessary instructions to me. If the Bank's interpretation is correct - under the present Rule 32, necessary action will have to be taken to amend the Rule so as to make the election annual in respect of all the twelve seats..

I have the honour to be,
Sir,
Your most obedient servant,


Registrar.
M.

L.S.29/9.

86

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Copy of letter dated 8-9-39 received from Mr. M.A. Srinivasa Iyengar B.A., Retd. District Sheristedar, Bangalore.

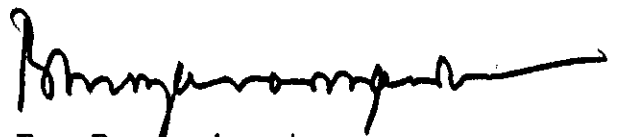
Adverting to the Bank's Annual Report for 1938-39 and the notice dated 27th August 1939 enclosed therein intimating that the Annual General Meeting of the Bank would be held on the 8th October 1939 (received by me by post on the 7th instant), I beg to state that No.4 of the items of business to be transacted at the meeting (further elucidated in note No.1 printed at the end of the notice) does not seem to be in consonance with Rules 31 and 32 issued by Government under the Mysore Co-operative Societies Act. It restricts the elections at the meeting to only five places in the Directorate evidently to replace the gentlemen named ~~in~~ ⁱⁿ para 21 of the Report, and seems to be based on a misapprehension of clause 7 of the Rule 32 cited. But this clause has to be read with and interpreted as an amplification of and proviso to clause 5 of the same rule to which it is explicitly subject, and ignores Rule 31 which has also to be followed by the Bank (vide Bank's bye-law No.36) which lays down that as a Rule all the elected members "shall be deemed to have vacated their seats at the time of the Annual General Meeting." Obviously clause 7 of Rule 32 is intended to ensure that no elected Director continues as such without interruption for more than three years and that at least five new men come in at each election and not to abrogate the applicability of Rule 31, Sub Rule 2-A, or to take away the power allowed to the different interests in the earlier clause 5 which lays down that their representatives as fixed in clause 4 shall be elected at the Annual meeting". Otherwise, the scope of clause 5 would have been restricted to the elections to be held under the Rule only in the first year after its coming into force and there would be practically no meaning in the tenure of office of members entering to the Directorate in casual vacancies under clause 8 being ~~fixed~~ ^{fixed} "for the unexpired term of the Board"

The procedure contemplated in the notice not only takes away the power allowed to the different interests in Rules 31(2)A and

37 ~~In Rules 31(2)A and 32(5)~~ to change any or all their representatives annually if they so desire, but is likely to result in extending the tenure of members entering the Board in casual vacancies under clause 8, upto nearly two years in the case of representatives of preference share-holders and three years in respect of ~~representa-~~ tives of affiliated Societies.

I beg therefore that early needful action may be kindly taken to ~~bring~~ the notice into line with the Rules issued by Government and adpoted by the Bank in its bye-law No.36.

"C O P Y"


For R e g i s t r a r.

28 ✓

Copy of Brief Note regarding Mr.M.A.Srinivasa Iyengar's objection by Mr.M.A.Gopalaswami Iyengar,B.A.,B.L., Advocate, Bangalore.

=====

Rule 32 is a special Rule providing for the constitution of the Board of Management of the Apex Bank. Rule 31 is a general Rule which prescribes the procedure to be followed in the conduct of elections to the Committees of Management of Co-operative Societies. The former was enacted on 4th June 1938 and the latter on 15th January of the same year. Sub-rule 2 A.of Rule 31 was subsequently incorporated on 21st November 1938. This Sub-Rule does not appear to fit in with the provisions contained in Rule 31, as it has no bearing upon the Rules governing the conduct of elections. The question at issue, however, is whether Sub-Rule 2 A.of Rule 31 has the effect of repealing the special provisions embodied in Rule 32 in regard to the tenure of office of the Directors and the system of annual retirement of a specific number of Directors by rotation.

There is no express repeal of the special provisions contained in Rule 32 and there is nothing in Sub-rule 2 A.of Rule 31 to show that the Government intended that it should also apply to the Apex Bank for which they had already made a special provision under Rule 32. In a case of this character, the rule of interpretation is Generalia specialibus non-derogant i.e., general things do not derogate from the special. In other words, special Acts are not repealed by general Acts unless there be some express reference to the previous legislation or a necessary inconsistency in the two Acts standing together.

The incorporation of the words, "as a Rule" in Sub-Rule 2 A. of Rule 31 is significant. According to Webster's New International Dictionary, the expression "as a rule" means "as a general thing usually; ordinarily". These words govern the entire Sub-clause (1) of Sub-Rule 2 A, and the natural interpretation of Sub-Rule 2A(1) would be that in the absence of any special rule to the contrary or unless otherwise prescribed, this rule would apply.

Sub-Rule 2 A.of Rule 31 cannot therefore be construed to

to have the effect of repealing, altering or derogating from the provisions of Rule 32.

In support of the above view, attention is invited to the following authorities:-

1. "In R.V. Poor Law Commissioners, (1837) C.A. and E.1, it appeared that a Local Act vested in certain ex-officio directors and forty other persons nominated by the vestry the powers of overseers of the poor which the parish was under this Act, the Poor Law Commissioners were empowered by Section 39 of the Poor Law Amendment Act, 1834 to direct that the administration of the laws for the relief of the poor of any single parish shall be governed and administered by a Board of Guardians to be elected in a certain prescribed manner. It was held that the local Act was not impliedly repealed by the subsequent public Act".

Carries on Statute Law, page 322.

2. Garnett V. Bradley.

(1878) 3 Appeal Cases P.944

An Act directed towards a special object or a special class of objects will not be repealed by a subsequent general Act embracing in its generality those particular objects, unless some reference be made directly or by necessary inference, to the preceeding special Act.

3. Barker V. Edgat. (1898). A.C. P.748, 754.

When the Legislature has given its attention to a separate subject and made provision for it, the presumption is that a subsequent general enactment is not intended to interfere with the special provision unless it manifests that intention very clearly.

4. Blackpool Co-operation v. Starr Estate. (1922) 1 A.C.27

The Blackpool Investment Act, 1917 enacted that the corporation was to buy land at a price to be determined, in default of agreement by arbitration in the manner provided in the Act. By the Acquisition of Land (Assessment of Compensation) Act 1919 any question of disputed compensation is to be determined in the -

the manner thereby provided and the provisions of any Act inconsistent with this Act shall cease to have effect. A question arose whether the compensation was to be assessed under the Act of 1919 or under the Act of 1917. The House of Lords held that the Act of 1919 did not apply. In the course of his judgment Lord Haldane said:- "Whenever Parliament in an earlier statute has directed its attention to an individual case and has made provisions for it unambiguously, there arises a presumption that if in a subsequent statute the Legislature lays down a general principle, that general principle is not to be taken as meant to rip up what the Legislature had before provided for individually unless an intention to do so is specially declared".

I have studied the point also and am in full agreement with Mr.M.A. G.

Intld:- M.P. S.

" Copy "

L.S.29/9.


J. M. S. Registrar.
/s/

SUBJECT.....

Section *bs*

File No. 19-39

Serial No. 5.

No. A 7 2760

Diary No. of letter replied to

To: *The Registrar*

General and Revenue Secretariat

()
the 193 .Date of issue..... *12-12-39*Signed by..... *Mr. K. N. Rao*

~~inform you that the
Second Member wishes
to discuss this question
with you~~

Sir
Adverting to your letter No
397 dated 2-10-39 re the
retirement of directors of
the Mysore Provincial Co-operative
Bank Ltd. I am directed
to request you to discontinue
that the same because
of Council will be flat to discuss
this matter with you I have etc
K. N. Rao

For Secretary
9/12/39

List of enclosures.....

Copies

Examined by..... *[Signature]*

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 11th December 1939. 42

No. A 72760
CS 19-29-5

From

The General Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

Adverting to your letter No.3974/CS. dated 2nd October 1939 regarding the retirement by rotation of directors of the Mysore Provincial Co-operative Apex Bank, Limited, I am directed to state that the Second Member of Council will be glad to discuss the subject with you.

I have the honor to be,
Sir,
Your most obedient servant,

SH *[Signature]*
19/12/39
General Secretary to Government
[Signature]

SR/2

43

SUBJECT.....

Diary No. of letter replied to

Section *bs*
File No. *19-39*
Serial No. *6*

General and Revenue Secretariat

()
the 193 .

No. *A-73699*

To *The President C.S.*

Sir

Date of issue.....*28-1-40*.....

Signed by *M. A. N. 215*.....

Advancing to your No 3974 C.S
dated 2-10-39 in the matter of
election to the Board of managers
of the Apex Bank I am directed
to state that the intention of ~~the~~
Rule 32 seems to be
is that all the members of the
Board should be elected annually
the persons retiring by rotation not
being ^{have} eligible for re-election ^{that year} ~~the year~~
This is not only desirable but will also be
in keeping with the democratic
principles underlying the Cooperative
movement

For orders - if it is only for
that year *per 18th*

List of enclosures.....

Copied by.....

Examined by.....

I am therefore to request you to

44

kindly forward a suitable modification
of the rules so as to make the intention
of ~~the~~ clear and beyond all doubt

I have etc

to
1871
H. J. F. J. F.
1871

to

No. 473699
CS 19-29-6.

2375 45
22nd January 1940.

The Registrar of Co-operative Societies in Mysore,
Bangalore.

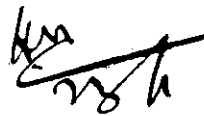
Adverting to your No. 3974/C.S. dated 2nd October 1939 in the matter of election to the Board of Management of the Apex Bank I am directed to state that the intention of Rule 32 seems to be that all the members of the Board should be elected annually the persons retiring by rotation not being however eligible for re-election that year. This is not only desirable but will also be in keeping with the democratic principle underlying the co-operative movement.

I am therefore to request you to kindly forward a suitable modification of the rules so as to make the ^{intention} ~~intention~~ clear and beyond all doubt.

I have the honour to be,

Sir,

Your most obedient servant,

587) 
General Secretary to Government.


Als.

No. 8330 C. S.

GOVERNMENT OF MYSORE

19-39-10

46

DEPARTMENT OF CO-OPERATION



OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore, 29th January 1940.

3034

FROM.

M. ABDUL HUKH, Esq., B.A.,

Registrar of Co-operative Societies in Mysore,

BANGALORE.



To

J. Appaji Gowda, Esq., B.A., (Hons),
General Secretary to the Government
of Mysore, Bangalore.

GENERAL SECRETARY,
29 JAN. 1940

Re: - Amendment to Rule 32 of the Mysore Co-operative Societies' Rules.

As directed in Government Order No. A.F. 3699/C.S. 19-39 dated 23rd January 1940, I have the honour to submit the following draft for the consideration of Government:-

Rule as it exists.

Rule 32(1) The manage^{ment} of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

" (2) The President of the Board shall be elected annually by the General Body at the Annual General Meeting subject to the approval of Government.

(3) Two Directors shall be nominated by Government and they shall hold office till their successors are appointed.

(4) Of the remaining Directors, five shall be representatives of affiliated rural co-operative societies, five of affiliated urban co-operative societies and two of preference share-holders.

(5) The representatives of rural and urban affiliated co-operative societies and of the preference share-holders shall be elected at the Annual General Meeting of the Bank by their own respective groups of electors.

(6) The members of the Board nominated by Government under Clause 3 above, need not necessarily be share-holders of the Bank.

Rule as proposed.

Rule 32(1) No change.

"(2) do.

(3) do.

(4) do.

(5) The representatives of rural and urban affiliated co-operative societies and of the preference share-holders shall be elected annually at the Annual General Meeting of the Bank by their own respective groups of electors.

(6) No change.

47
Rule as it exists.

(7) Of the twelve members of the Board elected in accordance with Clause 5 above, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference share-holders and they shall not be eligible for re-election till the next following annual General Meeting of the Bank, the Directors to retire every year being determined by lot at a meeting of the Board prior to such annual General Meeting and their names being mentioned in the Annual Report.

(8) Any casual vacancy occurring in the office of the President or other Directors excepting those nominated by Government under Clause 3 above by death, resignation or any other cause shall be filled up for the unexpired term of the Board by the remaining members of the Board in such a way that the number of representatives of the preference share-holders and of urban and rural societies is in conformity with Clause 4 above, the election of the President being subject to the approval of Government.

(9) The Chief Executive Officer of the Bank shall be the Secretary, He shall be a whole-time salaried officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(10) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

N.B.- The expression "Urban Co-operative Societies" in this Rule shall mean and include all co-operative societies situated within the jurisdiction of the City and Town Municipalities in Mysore.

Rule as proposed.

(7) Of the twelve Directors elected annually in accordance with clause 5 above, five shall not be eligible to stand as candidates for election at the next general election to be held in the next Annual General Meeting, two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference share-holders, the Directors not eligible to stand as candidates for election, being determined by lot at a meeting of the Board prior to such Annual General Meeting and their names being mentioned in the Annual Report. Such persons shall be eligible to stand as candidates for election at the next following Annual General Meeting of the Bank, if otherwise eligible under the byelaws.

(8) No change.

(9) No change.

(10) No change.

I have the honour to be,
Sir,
Your most obedient servant.

M. S. H. H. H. H. H.

Registrar.

SUBJECT

48

10

Diary No. of letter replied to

Section

bs

File No. 19-39

Serial No. 1/4

General and Revenue Secretariat

()
the 193 .

Date of issue..... 9-2-20

Signed by..... Mr J A G.

No. A 714855

Notification

In exercise of the powers vested in them under Section 44(2)(g) of the Mysore Cooperative Societies Act ^{VII of 1918} as amended from time to time, the Govt of MH the Maharaja of Mysore are pleased to publish for general information the following draft amendments to ~~the~~ Rule 32 relating to the constitution of the Board of Management of the Mysore Provincial Cooperative Societies.

Any objection or suggestion to the proposed amendments may be sent in writing to the General Secretary to Govt within one month of the date of publication of this notice.

List of enclosures.....

Copied by.....

Examined by.....

10/6/20

in the Mysore Gazette after which
the drafts will be taken up for consideration.

Any suggestion or objection received
after the due date will not receive
consideration

(Here enter the draft amendment annexed to the draft.)

To the Compiler Mysore Gazette for Publication
in Part IV of the Gazette in English and
Kannada with the request that 50 copies
of the notice may be sent to the Registrar of
Coastal 25 copies to this office

memo A7.4856 29 9³/₄₀

• copy of the above is forwarded with
compliments to the Registrar, C.S. for
information.

B. O. ✓

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272

No. A 74855
2819-29-14

General and Revenue Secretariat,

Dated Bangalore 9-2-40 193

NOTIFICATION.

In exercise of the powers vested in them under Section 44(2)(g) of the Mysore Co-operative Societies Act, VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft amendments to Rule 32, relating to the constitution of the Board of Management of the Mysore Provincial Co-operative Apex Bank, Ltd., Any objection or suggestion to the proposed amendments may be sent in writing to the General Secretary to Government within one month from the date of publication of this Notification, in the Mysore Gazette after which the drafts will be taken up for consideration.

Any suggestion or objections received after the due date will not receive consideration.

"Rule 32(5).- All the representatives of rural and urban affiliated Co-operative Societies and of the preference share holders shall be elected annually by their own respective groups of electors at the annual General Meeting of the Bank.

Rule 32(7).- The term of office of all the twelve Directors elected in accordance with clause 5 above shall terminate on the day of the annual general election following their election and five out of those twelve directors shall be ineligible for re-election till the next annual general election following such general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference share holders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report."

By Order,

Sd/- J. Appaji Gowda,

To

General Secretary to Government.

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette in English and Kannada with the request that 50 copies of the Notification may be sent to the Registrar of Co-operative Societies and 25 copies to this office.

Memo No. A 74855

Copy of the above is forwarded, with compliment, to the Registrar of Co-operative Societies in Mysore, for information.

By Order,

Rule 32(5)

57

All the representatives of rural and urban affiliated cooperative societies and of the preference share holders shall be elected annually by their own respective groups of electors at the annual general meeting of the Bank.

Rule 32(7)

The term of office of all the twelve directors elected in accordance with clause 5 above, shall terminate on the day of the annual general election following ~~their~~ ^{next} election, and five out of these twelve directors shall be ineligible for re-election ~~following~~ till the ^{next} annual general election following which general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of ^{the} rural and urban ~~societies~~ ^{cooperative societies} affiliated ~~societies~~ and one from out of the representatives of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to the annual general ~~meeting~~ ^{election} and shall be mentioned in the annual report.

by
ref 2/40

C8 19-39-17.

THE APEX BANK, LTD.

BANGALORE CITY

Dated 26th March 40.

From

THE SECRETARY,

The Mysore Provincial Co-operative Apex Bank, Ltd.

BANGALORE CITY.

To

The General Secretary
to the Government of His Highness the Maharaja of Mysore
B a n g a l o r e .

3082
GENERAL SECRETARY
27 MAR 1940
Sir,

With reference to the Draft amendments to Rule 32 of the Rules under the Mysore Co-operative Societies Act published in the Official Gazette dated 14-3-40 with Notification No.A.F.4855-C.S. 19-39-14 dated 9th March 40, I have the honour to state that in their meeting dated 17-3-40 the Board of Directors have resolved that the following suggestion^d be submitted to Government for their consideration.

1. Substitute the word "expire" in place of the word "terminate" appearing in line 3 of Rule 32(7).
2. Insert the words " or till their successors are elected" after the words "following their election" in line 4 of Rule 32(7).

If the above suggestions are accepted the Rule would read as follows:-

"Rule 32(7):- The term of office of all the twelve Directors elected in accordance with clause 5 above shall expire on the day of the Annual General election following their election or till their successors are elected and five out of those twelve Directors shall be ineligible for re-election till the next annual general election following such general election at which they retire. The five Directors who are to be declared ineligible

P.T.O.

The Mysore Provincial Co-operative Apex Bank, Ltd.

No. 1, HARDINGE ROAD, CHAMARAJAPET

BANGALORE CITY

No. _____

2

Dated _____

ineligible shall be two each from out of the representatives of the rural and urban affiliated Co-operative Societies and one from out of the representatives of preference share holders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report".

I have the honour to be,

Sir,

Your most obedient servant,


Secretary.

No.

C.S. 19-39-20.

4124

K. VENKATARAMIAH,

Co-operative Propaganda Officer & Arbitrator.

54

Ry. Station :—

"OORGAUM"

(M. & S. M. Ry.)

No. 5, CROSS ROAD,
ROBERTSONPET, P. O.,
SOUTH INDIA.

11th April 1940

To,
The General Secretary
to Government of Mysore,
Bangalore.

GENERAL SECRETARY
11 APR. 1940



Q. Sir

h. W.P.

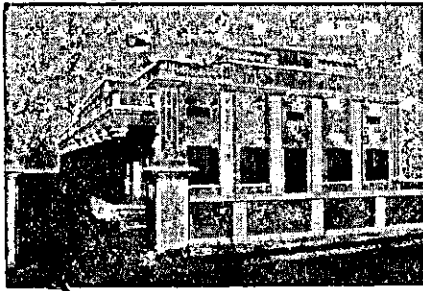
Ref: Notification No. A.F. 4855 C.S. 19-39-14 dated 9th March 1940 publishing Draft Rules 32(5) and 32 (7) in the Mysore Gazette dated 14th March 1940.

I fully endorse the idea of providing for the annual election of all the representatives of Urban and Rural Co-operative Societies affiliated to the Apex Bank. I also concur with the proposal that five of the retiring directors of the Bank should be declared ineligible for reelection. But the mode of determining the persons that are to be so excluded, i.e., by lot, I consider, is rather unfair as it will be left entirely to chance. I would on the other hand suggest that five out of the longest served should be made to be declared as ineligible for reelection. This aspect of the question may kindly be considered while finally approving the said rules.

said rules.

I beg to remain,
Sir,
Your most obedient servant,

K. Venkatarani



C.S. 19-39-21 ✓

THE
Bangalore City Co-operative Society, Ltd.

(ESTABLISHED 1905)

NEW THARAGUPET, BANGALORE CITY

Ref. No. 2191

Dated 4th April 1940

13th

To

GENERAL SECRETARY
13 APR. 1940
C.S.

The Secretary to Government,
General Department,
Bangalore.



Sir

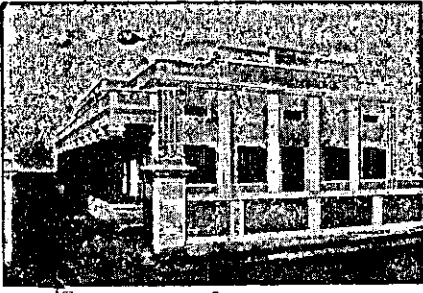
With reference to Government Notification No. A. F. 4855 C. S., 19-39-14, dated the 9th March 1940, published in Part IV of the Mysore Gazette dated the 14th March 1940, calling for suggestions and objections to certain amendments proposed to be made in Rule 32 of the Mysore Co-operative Rules relating to the constitution of the Board of Management of the Mysore Provincial Co-operative Apex Bank, Ltd., I am directed to state as follows:-

In the proposed rule 32 (7) the words "on the day of the general election following their election" do not seem to be quite definite as to the exact time when the term of office of the 12 Directors referred to therein terminates if a general election is found to be invalid. If the members of the old Committee have ceased to function and there is no valid election, the new ones cannot also act. This is likely to lead to a dead-lock. It is therefore desirable to make it clear that the old members would continue to function till their successors are validly elected.

Suggests to the Apex Bank

The latter part of the same rule seems to be intended to assure that at least five of the previous members should be replaced

- continued -



T H E
Bangalore City Co-operative Society, Ltd.

(ESTABLISHED 1905)

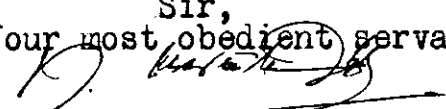
NEW THARAGUPET, BANGALORE CITY

Ref. No. 2191.....

Page 2.

Dated 4th April 1940
13*

replaced by new comers. The drawing of lots to select the members to be thus replaced seems to be hardly fair to the constituencies empowered to elect representatives to the Board, since by this procedure most useful and competent members commanding the greatest confidence of their electorates may have to vacate their seats, while less competent ones might continue to be on the Board indefinitely. The more equitable course would therefore be to lay down plainly that at least the number of representatives of the different classes as specified in the rule, elected at each annual election, should be new ones, i.e., those that have not served on the Board, during the year immediately preceding the election, and to provide that when more than the required number of previous members have stood as candidates for election and got the highest number of votes, those that secure the lowest number of votes should make room to ensure the required number of fresh entrants, lots being drawn only when two or more old members secure an equal number of votes and it is not possible to decide which of these should be displaced.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary.

NVS.

Draft Rule as notified.

Suggestions received.

Remarks.

Orders.

Rule 32.

(5) All the representatives of rural and urban affiliated Co-operative Societies and of preference shareholders shall be elected annually by their own representative groups of electors at the annual general meeting of the Bank.

(7) The term of office of all the twelve Directors elected in accordance with Clause 5 above shall terminate on the day of the annual general election following their election and five out of these twelve directors shall be ineligible for re-election till the next annual general election following that general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban ~~affiliated~~ Co-operative Societies and one from out of the representatives of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report.

* *expire*
(Suggested by member)

No remarks.

1. Apex Bank.

The term of office of all the twelve Directors elected in accordance with Clause 5 above shall expire on the day of the annual general election following their election or till their successors are elected, etc.

The rule as drafted does not require any modification. (Opinion of the Law Secretary para 63 of the Notes)

(The portions underlined indicate the suggestions of the Bank.)

2. Mr. K. Venkataramiah, Propaganda Officer, Robertsonpet, says that as the system of elimination by lot is unfair, five out of the longest served should be made to be declared as ineligible for re-election.

The question of elimination by

3. The Bangalore City Co-operative Society also oppose the elimination by lot and suggest that it be laid down that the number of representatives of different classes as specified in the rule elected at each annual election should be new ones, i.e., those that have not served on the Board during the year immediately preceding the election and that when more than the required number of ~~previous members have stood as candidates for election and the elimination~~

lot has been decided. Vide paras 40-42 and 44-49 of the Notes.

number of votes those that secure the lowest number of votes should make room to ensure the required number of fresh entrants lots being drawn only when two or more old members secure an equal number of votes and it is not possible to decide which of these should be replaced.

The Society also suggests that the members of the old Committee should continue to function till their successors are validly elected.

Once the annual General ~~election~~ takes place the new Directors will hold office and if the election is invalid, the ~~same~~ will continue till fresh general election. (Opinion of Law Secretary para 62 of the Notes).

*new
directors*

57

Byelaw No.18 of the Madras Provincial Co-operative Bank, Ltd., prescribing the constitution of the Board of Management of the Bank.

=====

18. The Board of Management of the Bank shall be constituted as follows:-

(a) Each Central Bank which holds Ordinary Shares of the face value of not less than 10 per cent of its paid-up Share Capital or of Rs.15,000 shall be entitled to nominate by a Resolution of its Directors one member to the Board. Such nominee must be a member of that Central Bank.

(b) The Preference Share-holders shall be represented on the Board of Management by five members. Such representatives shall be elected from among the Preference Share-holders at a General Body meeting consisting of both the Ordinary and Preference Share-holders.

(c) No member of the Board of Management shall represent both the Preference and the Ordinary Share-holders.

(d) Every member of the Board of Management elected under these byelaws shall hold office for a period of three years, or until his successor is appointed. Should a vacancy on the Board during the aforesaid period of three years occur, such a vacancy shall, if it be a vacancy of a representative of a Central Bank, be filled up for the remaining portion of such period by a resolution of the Board of Management of the Central Bank concerned; and if it be a vacancy of a representative of Preference Share-holders, it shall be filled up for the remaining portion of such period by the Board of Management from among the Preference Share-holders. If during such period there should be any increase in the number of Central Banks entitled under these byelaws to nominate a member, the additional places so created shall be filled up for the remaining portion of the period in the manner prescribed in clause (a).

(e) The Board of Management shall elect from among themselves

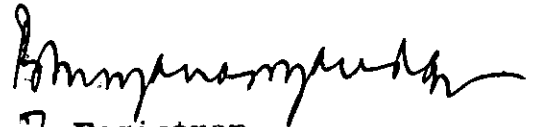
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themselves a President and a Vice-President.

" Copy "

L.S.28/1.


For Registrar.

59

Rules for the Election of Directors to the Board of Management
of the Bombay Provincial Co-operative Bank, Limited.
=====

1. The Board of Directors of the Bank shall consist of seven representatives of individual members and eight representatives of member societies (including Central and Urban Banks).

2. Of the eight Directors representing member-societies, three shall be representatives of Central Bank, three of Agricultural societies under the jurisdiction of the Bank, and two of Urban Banks.

3. For the purpose of election of three Directors representing Agricultural Societies, the societies affiliated to the Bank will be divided into the following three groups, each group assigned one seat on the Board:

1. Satara, Poona and Sholapur.
2. Khandesh and Gujarat.
3. Ahmednagar, Nasik and Thana.

Provided always that no person shall be eligible and continue to hold office as a Director representing Agricultural Societies unless:

(i) He is a member of an Agricultural Co-operative Society and such society is a member of the Bank;

(ii) At the date of his election he is not in arrears in respect of any loan advanced to him by any society of which he is a member and his society is not in arrears to the Bank;

(iii) He is or has been a member of a branch committee of a branch of a Bank for a minimum period of one year;

(iv) He possesses sufficient knowledge of English to follow and participate in proceedings of the Board of Directors.

Voting shall be conducted through branch committees attached to the branches of the Bank. Officers of the Bank who are members of the committees should take no part in the election.

Nominations shall be invited in the month of July every alternate year from all duly constituted branch committees, and

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and each Branch Committee will be entitled to make one nomination of a person who is or has been a member of the committee or any other committee in the group to which it belongs. After nominations have been received, voting papers will be issued with the necessary instructions. Each branch committee shall have three votes for the three seats on the Board. Voting shall be on the basis of groups and a branch committee shall assign one vote only to any single group.

The three persons from the three groups securing the largest number of votes among nominees from their respective groups shall be declared duly elected and the result of such election will be announced at the next annual general meeting of the Bank.

4. For the purpose of the election of the two Directors representing urban Banks, Urban Banks in the Presidency shall be divided into the following two groups:

- (i) Karnatak and Maharashtra (including Khandesh, the Konkan and the Bombay Suburban Division).
- (ii) Gujarat and Bombay City (including the Bombay Suburban Division).

5. The Directors representing urban Banks shall be elected every alternate year before the date of the Bank's Annual General Meeting in the following manner:-

(a) Voting shall be restricted to non-agricultural credit societies with a working capital of Rs.50,000/- and over, provided such societies have taken shares in the Bank to the extent of one-twentieth of their paid up share capital; as on the 30th June of the preceding year.

(b) Nominations shall be invited in the month of July every alternate year from the urban Banks so qualified and each bank will be entitled to make one nomination, by means of a resolution of its committee of management, of a Director of its own Board or the Board of any urban bank within its group qualified to vote. (The term 'Director' includes Presidents of Banks or members of their supervising or advisory boards).

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(c) After nominations have been received voting papers will be sent out with the necessary instructions.

(d) Each urban Bank will have two votes for the two seats on the Board (or less if nominations have not been received from any group). Voting shall be on the basis of groups and each Bank will assign one vote only to any single group.

(e) The two persons securing the largest number of votes, among nominees for their respective groups, will be duly elected and the result of the election will be announced at the next general meeting of the Bank. In case if there is equality of votes, lots will be drawn to decide who should be declared elected.

6. For the purpose of the election of three Directors representing Central Banks, Central Banks in the Presidency shall be divided into the following Divisional Groups:-

- (i) Maharashtra (including the Konkan and Khandesh),
- (ii) the Karnataka and
- (iii) Gujarat.

7. The three Directors representing Central Banks shall be elected every alternate year before the date of the Bank's Annual General Meeting in the following manner:-

(a) Voting shall be restricted to central societies classed as Central Banks, provided such banks have contributed to the share capital of this Bank to the extent of one-twentieth of their own paid up share capital, as on the 30th June of the preceding year.

(b) Nominations shall be invited in the month of July every alternate year from Central Banks so qualified, and each Bank will be entitled to make, by means of a resolution of its committee of management, one nomination of a Director or Directors of its own Board or the Board of a Central Bank within its group which is qualified to vote. (The term 'Director' includes Presidents of Banks or members of their supervising or advisory Boards).

(c) After

(c) After nominations have been received voting papers will be sent to Banks with necessary directions.

(d) Each Central Bank shall have three votes for the three seats on the Board (or less if nominations have not been received from any groups). Voting shall be on the basis of groups and a Central Bank shall assign one vote only to any single group.

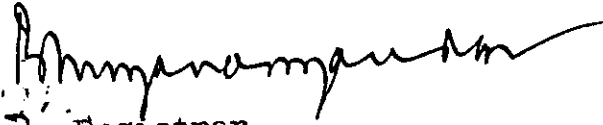
(e) The three persons from the three groups securing the largest number of votes among nominees from their respective groups shall be declared duly elected and the result of such election will be announced at the next annual general meeting of the Bank. In case there is equality of votes, lots will be drawn to decide who should be declared elected.

8. The Board of Directors shall have power, in case electorates fail to elect a representative or the nominations are found invalid or the election defective, to propose for election at the annual general meeting of the Bank, the names of Directors to represent the interest which would otherwise remain unrepresented.

9. All Co-operative Societies, Central and Urban Banks which are ineligible to vote or take advantage of the special representation granted to them under these rules shall be competent to vote as ordinary members at the annual general meeting of the Bank.

" Copy "

L.S.28/1.


Registrar.

SUBJECT.....

Section

bs

File No.

19-39

Serial No.

37

No. 176503

Diary No. of letter replied to.....

General and Revenue Secretariat

()
the 193 .

Date of issue

12-3-41

Signed by

Mr. Ranga mallaiah

List of enclosures.....

Copied by.....

Examined by.....

Notification

In exercise of the powers vested in them under Section 44(2)(g) of the Mysore Cooperative Societies Act VII of 1918 as amended from time to time, the Govt of M. It the members of Mysore are pleased to issue the following rules in amendment of ~~the~~ existing Rules 32(5) and 32(7) of the Rules under the aforesaid Act in the matter of the Constitution of the Board of Management of the Mysore Provincial Cooperative Apex Bank Ltd. #

(Here enter the rules ~~to~~ annexed hereto)

B. O

B

for Secretary

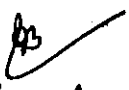
To the Banker Mysore

^{Part IV of}
for publication in the Gazette
in English and Kannada with the
request that 250 copies of each of the
notifications may be sent to the
Registrar of C.S. and 100 copies of each
to this office.

memo 64776504 of 12/3/41

Copies of the above is forwarded to
Compliments to the Registrar of C.S.
in Mysore for information.

B.O


J. R. Ramesh

Annexure

65
32(5) All the representatives of rural and urban affiliated Cooperative societies and of the preference shareholders shall be elected annually by their own respective groups of electors at the annual general meeting of the Bank.

32(7) The term of office of all the ~~twelve~~ directors elected in accordance with clause 5 above shall expire on the day of the annual general ~~meeting~~ election following their election, and five out of those twelve directors shall be ineligible for re-election till the next annual general ~~meeting~~ ^{election} following such general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban affiliated Cooperative societies, and one from out of the ~~representatives~~ ^{representatives} of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report.

[Signature]

No. A76523
CS 19-39-37

General and Revenue Secretariat,

Dated Bangalore, 12/6/37
March 1938.

NOTIFICATION.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to issue the following rules in amendment of the existing Rules 22 (5) and 22 (7) of the Rules under the aforesaid Act in the matter of the constitution of the Board of Management of the Mysore Provincial Co-operative Apex Bank, Ltd.: -

22 (5) All the representatives of rural and urban affiliated co-operative societies and of the preference shareholders shall be elected annually by their own respective groups of electors at the annual general meeting of the Bank.

22 (7) The term of office of all the twelve directors elected in accordance with clause 5 above shall expire on the day of the annual general election following, their election and five out of these twelve directors shall be ineligible for re-election till the next annual general election following next general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report.

By Order,

Ramgopal

Secretary to Government,
General Department.

To

The Compiler, Mysore Gazette, Part B & C
for publication in the Gazette in English
and Kannada with the request that 250
copies of each of the notification may be
sent to the Registrar of Co-operative
Societies and 100 copies of each to this
office.

67

NOTIFICATION.

No. A. F. 6503—C. S. 19-39-37, dated Bangalore,
the 12th March 1941.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act, VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to issue the following rules in amendment of the existing rules 32 (5) and 32 (7) of the rules under the aforesaid Act in the matter of the constitution of the Board of Management of the Mysore Provincial Co-operative Apex Bank, Ltd:—

32 (5) All the representatives of rural and urban affiliated co-operative societies and of the preference shareholders shall be elected annually by their own respective groups of electors at the annual general meeting of the Bank.

32 (7) The term of office of all the twelve directors elected in accordance with clause 5 above shall expire on the day of the annual general election following their election and five out of those twelve directors shall be ineligible for re-election till the next annual general election following such general election at which they retire. The five directors who are to be declared ineligible shall be two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference shareholders and their names shall be determined by lot at a meeting of the Board prior to such annual general election and shall be mentioned in the annual report.

By Order,

J. APPAJI GOWDA,
Secretary to Government,
General Department.